Dev— (1931) Department.

MS SERIES.

G.O. No. 358

DATED 10-3-1931

[Despatch Abstract.]

Co-operative Societies - Act - Section 29(1) - Exemption to grant loans to non-members - Mangalore Co-operative Town Bank - South Kanara District - Sanctioned.

Dev. 699-III
5-3-31

C.F. 30.

CO-OPERATIVE DEPARTMENT.

Received ..... UNDER ..... 1 *Registered* 19

Subject.

Loans to non-members on the security of their deposits - Mangalore Co-operative Town Bank - South Kanara District - Exemptions from the operation of Section 29.

ENCLOSURES.
No. .....
Spare copies .....

B. No.1119/31

Station CHEPAUK: MADRAS, *Dated the* 3rd March 1931.

From (Name) D.N. Strathie Esq., I.C.S.
(Designation) Registrar of Co-operative Societies, Madras.

To The Secretary to the Government of Madras,
DEVELOPMENT Department.
Fort St. George, Madras.

Sir,

The Mangalore Town Bank wants to make provision in their bylaws to grant loans to non-members on the security of their deposits. This society is well-managed and has been classed as I-A at its last audit. It has been on able to get large deposits from both members and non-members amounting to Rs. 72,186-8-0 and Rs. 63,004-2-0 respectively. The non-members depositors who live mostly outside the area of operations are precluded from becoming members. If these investing non-members are permitted to take loans on the security of their deposits, it is very likely that much larger deposits would be forthcoming from them. In well-

managed societies, there is no harm in permitting loans to be made to non-members on the security of their deposits. The lending rates in all societies is generally higher than the borrowing rate - there is a difference of 2 to 3% - and it is not likely that non-members would avail of the concession except in the case of urgent necessity.

2. I request that Government exempt the Mangalore Urban Bank from the operation of Section 29(1) of the Co-operative Societies Act, to the extent that it may lend to non-members on the security of their deposits.

I have the honour to be,

S i r,

Your most obedient servant,

C Narayana Rao

for R e g i s t r a r. 4 3 3 1

MS
4.3.31

RK. 3-3-31.

Secn. F. 5 (b)—15,006—5-11-29.

DEPARTMENT.

	Date.	Initials.
ceived for Fair-		
When copied ..		
When examined ..		
When signed ..		
When despatched ..		

Co-operative Societies Act

Act - Section 29(1) - Exemption

Loan to non-members.

Mangalore Co-operative Town Bank.

- S. Kanara Dt. -

Sanctioned

READ AGAIN G.O. No. 807 Dev dated 2-6- 1925

" " " " " " 19

READ ALSO :—

J. No. 6991/31 From the Registrar, No. B 1119/31, dated 3-3- 1931

" " " " " " 19

" " " " " " 19

ORDER.

No. 358, dated 10-3-31 19

(Mns)

Under Section 46 of the Co-operative Societies Act 1912 the Govt are pleased to exempt the Mangalore Co-operative Town Bank from the operation of Section 29 (1) of the Act permitting it thereby to grant loans to non-members on the security of their deposits subject to the condition that the concession may be withdrawn by Govt at any time. No loan should exceed 90 per cent of the

amount of the deposit on the security of which it is granted.

To the Regr

Dated 6/11/31

6.3.31

5/5/31

NOTE

In the circumstances stated by the Regr there seems to be no objection for the grant of the concession. For precedents please see Go 2213 Dev dt 16-12-30 and Go 284 Dev dt 27-2-31.

(E)

(M)

6.3.31

5/5/31